

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	Case No. 12-12020 (MG)
	)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,	)	Chapter 11
	)	
Debtors.	)	Jointly Administered
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**STIPULATION AND ORDER  
RESOLVING LEHMAN BROTHERS' RMBS-RELATED CLAIMS**

The debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), and Lehman Brothers Holdings Inc., (“Lehman Brothers” and, together with the Debtors, the “Parties”), by and through their respective counsel, respectfully submit this stipulation (the “Stipulation”) and agree and state as follows:

**RECITALS**

**WHEREAS**, on May 14, 2012 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

**WHEREAS**, from 2004 to 2007, the Debtors issued residential mortgage-backed securities (“RMBS”) in 392 separate private label securitizations with an aggregate original principal balance of more than \$26 billion. In these RMBS securitizations, the Debtors pooled together mortgage loans and conveyed them to trusts (the “RMBS Trusts”) in exchange for certificates that were sold to investors. The RMBS certificates entitle holders to receive a share of the principal and interest collected on the mortgage loans held by the RMBS Trust.

**WHEREAS**, various individual Debtor entities played different roles in the securitization process, including “originating” certain of the mortgages underlying the trusts, “servicing” the mortgages underlying the trusts, and “arranging” and issuing the certificates.

**WHEREAS**, for each Debtor-issued RMBS securitization, the Debtors and the trustee for each of the RMBS Trusts (the “RMBS Trustees”) entered into a pooling and servicing agreement (“PSAs”) governing the operations of the securitization, including the Debtors’ rights and obligations as servicers.

**WHEREAS**, on August 29, 2012, the Bankruptcy Court issued an Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof [Docket No. 1309] (the “Bar Date Order”), establishing November 9, 2012 as the general claims bar date.

**WHEREAS**, on November 7, 2012, the Bankruptcy Court issued an Order Extending Deadline for Filing Proofs of Claim [Docket No. 2093] (the “Extended Bar Date Order”), establishing November 16, 2012 as the general claims bar date.

**WHEREAS**, on November 15, 2012, Lehman Brothers filed five claims in the Chapter 11 Cases related to its holdings of Debtor-issued RMBS certificates (the “Lehman Claims”). The Lehman Claims are set forth on Exhibit 1, attached hereto.

**WHEREAS**, on May 23, 2013, the Debtors filed a *Motion for an Order Under Bankruptcy Code Sections 105(A) and 363(B) Authorizing the Debtors to Enter Into and Perform Under a Plan Support Agreement with Ally Financial Inc., the Creditor’s Committee, and Certain Consenting Claimants* [Docket No.3814] (the “PSA Motion”). Attached to that motion was a plan support agreement and supplemental term sheet (the “Supplemental Term Sheet”) embodying the terms of a Chapter 11 plan to be jointly filed by the Debtors and the committee of unsecured creditors appointed in these cases (the “Creditors’ Committee”).

**WHEREAS**, on June 27, 2013, the Bankruptcy Court entered the *Memorandum Opinion Approving the Plan Support Agreement* [Docket No. 4102].

**WHEREAS**, on July 3, 2013, the Debtors and the Creditors' Committee filed the *Joint Proposed Chapter 11 Plan by Residential Capital LLC, et al. and the Official Committee of Unsecured Creditors* (the "Proposed Chapter 11 Plan") [Docket No. 4153] and the *Plan Proponents' Motion for An Order (I) Approving Disclosure Statement, (II) Establishing Procedures for Solicitations and Tabulation of Votes to Accept or Reject the Plan Proponents' Joint Chapter 11 Plan, (III) Approving the Form of Ballots, (IV) Scheduling a Hearing on the Confirmation of the Plan, (V) Approving Procedures for Notice of the Confirmation Hearing and for Filing Objections to Confirmation of the Plan, and (VI) Granting Related Relief* [Docket No. 4152]. And on August 16, 2013, the Debtors filed a revised Disclosure Statement, which includes a revised copy of the Plan [Docket No. 4733], which was further revised on August 20, 2013 [Docket No. 4770].

**WHEREAS**, the Supplemental Term Sheet and the Proposed Chapter 11 Plan incorporate a settlement with the Trustees resolving all claims asserted by the RMBS securitization trusts against the Debtors.

**WHEREAS**, if the Proposed Chapter 11 Plan is confirmed and if the effective date of the Proposed Chapter 11 Plan occurs, the RMBS Trusts shall have allowed non-subordinated unsecured claims in the amount of \$209.8 million against the GMACM Debtors and \$7,091.2 million against the RFC Debtors (the "RMBS Trust Settlement"). In consideration for the RMBS Trust Settlement, the RMBS Trusts shall be deemed to provide a full and complete discharge of the Debtors from any and all claims held by the RMBS Trusts.

**WHEREAS**, under the RMBS Trust Settlement, holders of Debtor-issued RMBS certificates, including Lehman Brothers, will receive their share of the RMBS Trust Settlement through the Trusts.

**WHEREAS**, the Debtors have discussed with Lehman Brothers' counsel a resolution of the Lehman Claims without the need to expend the Debtors' limited resources to litigate the merits of the Lehman Claims, as set forth herein.

NOW THEREFORE, it is hereby stipulated and agreed as between the Parties to this Stipulation, by and through their undersigned counsel, that:

1. Upon (i) entry of an order approving this Stipulation, (ii) entry of a final order by the Bankruptcy Court approving the Proposed Joint Chapter 11 Plan, including the RMBS Trust Settlement, and (iii) the occurrence of the effective date of the Proposed Joint Chapter 11 Plan, including the RMBS Settlement (the "Effective Date"), the Lehman Claims shall be disallowed and expunged in their entirety and Kurtzman Carson Consultants LLC, the Debtors' claims and notice agent in these Chapter 11 cases, shall be authorized to expunge the Lehman Claims from the Debtors' official claims register.
2. In the event the Effective Date does not occur, (i) the Lehman Claims shall not be disallowed and expunged and (ii) the Debtors, Lehman Brothers, and all other parties in interest reserve all rights regarding the Lehman Claims and the disposition thereof.
3. Nothing herein shall be construed or deemed to constitute an admission of liability by the Debtors with respect to the Lehman Claims or otherwise.
4. This Stipulation comprises the entire agreement between the Parties and supersedes all prior agreements and understandings, both written and oral, between the Parties in respect of the subject matter hereof.

5. This Stipulation may be executed in counterparts, each of which will deemed an original, but all of which together will constitute one and the same agreement.

6. The undersigned hereby represent and warrant that they have full authority to execute this Stipulation on behalf of the respective Parties and that the respective Parties have full knowledge of, and have consented to, this Stipulation.

7. This Stipulation shall not be modified, altered, amended or vacated without prior written consent of the Parties hereto. Any such modification, alteration, amendment or vacation, in whole or in part, shall be subject to the approval of the Bankruptcy Court.

8. The Bankruptcy Court shall retain jurisdiction (and the Parties consent to such retention of jurisdiction) to resolve any disputes or controversies arising from or related to this Stipulation and the Claims. Any request for relief brought before the Bankruptcy Court to resolve a dispute arising from or related to this Stipulation shall be brought on proper notice and in accordance with relevant Bankruptcy Rules and Local Bankruptcy Rules.

**LEHMAN BROTHERS HOLDINGS INC.**

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**SO ORDERED.**

This 20 day of November, 2013  
in New York, New York

/s/Martin Glenn  
MARTIN GLENN  
United States Bankruptcy Judge